

WHAT SRP IS PROPOSING

SRP is opening a public pricing process on Dec. 12 to consider

a proposed overall average annual price increase of 3.9%. If approved by the publicly elected SRP Board, the increase would appear on bills beginning in April. Our proposal includes new price plans for residential customers who own electric vehicles, as well as those who produce some of their own energy using rooftop solar or other technologies.

Learn more about the proposal and public process at srpprices.com.

3.9%
increase

WHY AN INCREASE IS NEEDED

We need to increase prices to:

- 1. Maintain reliable electric service.** SRP continues to modernize the grid (our system of power lines and equipment) to safely and reliably deliver energy. This work includes replacing infrastructure, such as older power poles and underground lines, and adding new technology to incorporate more renewable energy sources into the grid (see srpgrid.com).
- 2. Power a growing economy.** Arizona's economy is starting to improve. In fact, on July 23 and 24, customers set two all-time records for energy use. SRP provides reliable energy that supports growth and new jobs. To meet increased power demand resulting from growth, we must build new infrastructure.
- 3. Comply with environmental requirements.** SRP has invested approximately \$73 million during the past two years to add new environmental controls at key Arizona power plants to meet federal regulations. These upgrades are important, but they add significant expense to existing operations without creating additional power resources.

3
reasons

IMPORTANT PRICING NOTICE



P.O. Box 52025
Phoenix, AZ 85072-2025

PRESORTED
FIRST-CLASS MAIL
U.S. POSTAGE PAID
PHOENIX, AZ
PERMIT NO. 395

HOW YOU CAN PARTICIPATE

Submit your comments and questions about the proposal by email at inforoom@srpnet.com or attend any of the following meetings:

Public comment sessions

Jan. 5, 6:30–9 p.m.
Gilbert Public Library
775 N. Greenfield Road,
Gilbert

Jan. 8, 6:30–9 p.m.
Glendale High School
6216 W. Glendale Ave.,
Glendale

Board meetings

PRESENTATIONS AND COMMENTS

Feb. 9, 9:30 a.m.
SRP Administrative Offices
1521 N. Project Drive, Tempe

FINAL VOTE

Feb. 26, 9:30 a.m.
SRP Administrative Offices
1521 N. Project Drive, Tempe

WHERE TO GET MORE DETAILS

Review the Legal Notice on the back of this page, visit srpprices.com or call (602) 236-8888 for more information regarding the price proposal and public process.

We offer programs that can save you money. Details are available at savewithsrp.com (residential customers) and savewithsrpbiz.com (businesses).

WHAT YOU SHOULD KNOW

SRP is a community-based, nonprofit utility. Revenues are reinvested into our electric grid for the benefit of all customers.



Delivering more than power.™

NOTICE OF MEETING OF BOARD OF DIRECTORS ON CHANGES TO STANDARD ELECTRIC RATE SCHEDULES AND TERMS AND CONDITIONS OF COMPETITION PURSUANT TO A.R.S. SECTIONS 30-802 AND 48-2334

SALT RIVER PROJECT AGRICULTURAL IMPROVEMENT AND POWER DISTRICT ("SRP")

The Board of Directors of SRP (the "Board") is considering: (i) changes and adjustments to its standard electric rate schedules, including riders (collectively, "price plans"), and (ii) modifications to certain of its terms and conditions for competition in the retail sale of electric service (collectively, the "Price Proposal"), as determined in the reasonable discretion of the Board.

The price adjustment that will be considered by the Board represents a 3.9% overall average annual increase in prices that would first apply to usage included in customers' April billing cycle, which for many customers begins sometime during March (billing month information is displayed on the front of customer bills). Actual increases vary by price plan and usage. The Price Proposal includes new price plans for residential customers who own electric vehicles, as well as those who produce some of their own energy using rooftop solar or other technologies.

Weekdays from 8:30 a.m. to 5 p.m., Dec. 12 through April 30, SRP will make available for inspection at its main administrative offices, 1521 N. Project Drive, Tempe, AZ 85281, information pertinent to the Price Proposal, including:

1. Management's recommended Price Proposal;
2. Relevant financial and other information as may be pertinent and upon which the Price Proposal is based, including data from budgets and long-range plans; SRP will timely supplement such information as may be reasonably requested by any interested person and will answer reasonable questions posed by any interested person;
3. Current prices, terms, and conditions, including the terms and conditions for competition adopted by the Board at its Nov. 26, 2001, meeting, as amended to date;
4. Reports by consultants to the Board, if any; and
5. Proposals and comments submitted by interested persons.

The complete Price Proposal also will be available for viewing at srpprices.com.

Interested persons may:

1. File written comments and proposals: Written comments and proposals may be submitted at any time during the process. It is recommended, however, that written comments and proposals be submitted by 5 p.m. on Feb. 19;
2. Submit written questions to SRP management: Written questions may be submitted at any time up to 5 p.m. on Feb. 19. Management will make a reasonable effort to timely respond to each question;
3. Submit written requests for documents to SRP management: Written requests for documents may be submitted at any time up to 5 p.m. on Feb. 19. Management will make a reasonable effort to timely accommodate each request; and

4. Submit written requests for interviews with SRP management or with the Board's consultants: Interested persons may request an interview with a specific management representative or one of the Board's consultants. Such requests must be submitted no later than 5 p.m. on Dec. 31. Interviews will take place on Jan. 15 at SRP's main administrative offices, 1521 N. Project Drive, Tempe, AZ 85281, beginning at 9:30 a.m. SRP will also reasonably accommodate requests for interviews at other times.

All comments, proposals, questions, and requests for interviews or documents must be in writing and must be submitted on the form at srpprices.com, emailed to info@srpnet.com, mailed to SRP Corporate Secretary, PAB215, P.O. Box 52025, Phoenix, AZ 85072-2025, faxed to (602) 236-2188, or hand-delivered to SRP Corporate Secretary, 1521 N. Project Drive, Tempe, AZ 85281.

Persons wishing to participate in these proceedings may provide their names, addresses, telephone numbers, facsimile numbers (optional), and email addresses (optional) to the SRP Corporate Secretary. Persons providing their names and addresses to the SRP Corporate Secretary will be considered "parties" within the meaning of A.R.S. Sections 30-810 through 812 for the purpose of these proceedings. SRP will give such persons timely notice of additional meetings and copies of additional materials published by SRP.

A meeting of the Board will convene at 9:30 a.m. on Feb. 9 at SRP's main administrative offices, 1521 N. Project Drive, Tempe, AZ 85281, to:

1. Afford SRP management an opportunity to explain the Price Proposal and the criteria for such prices, cost adjustment factors, escalation provisions and mechanisms, and to answer questions;
2. Afford the Board's consultant(s) an opportunity to comment upon the Price Proposal; and
3. Afford interested persons a reasonable opportunity to submit written comments and questions or make oral presentations of their views, questions, and comments.

The Feb. 9 meeting is the Board meeting described in A.R.S. Sections 48-2334(D) and 30-802(B)(3). The Board will make its decision on the Price Proposal following review of information and comments gathered under the procedures set forth in this Notice. The Board anticipates conducting a meeting for this purpose at 9:30 a.m. on Feb. 26 at SRP's main administrative offices, 1521 N. Project Drive, Tempe, AZ 85281.

Any changes arising from the Board's decision on the Price Proposal will first go into effect for electricity use that will appear on bills issued in April 2015. SRP will send written notice to all customers concurrently with or prior to delivery of the April bill (but not necessarily prior to customers' usage of electricity under the new prices). SRP will post the Board-approved price plans on srpprices.com and will make them available at the SRP Corporate Secretary's Office within one business day of the Board decision. SRP also will publish its notice of new prices in *The Arizona Republic* newspaper soon thereafter.

Dec. 12, 2014

Terrill A. Lonon
Corporate Secretary



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